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**PMEducation**

S W O T Analysis

**WHAT IT IS**

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. We understand the words Opportunities and Threats from Risk Management. In Project Management, Strengths and Weaknesses are those of the Project Team.

Used in the process of Identify Risks, this tool helps find Opportunities and Threats which your project faces (positive and negative Risks), along with possible Strengths to address them.

Recognition of Project Team Weaknesses provides a realistic look at the Team’s shortcomings, to better prepare Risk Responses. In this way, Strengths and Weaknesses are often internal to your Project Team, while Opportunities and Threats are often (but not necessarily) external factors. SWOT is sometimes called an Internal-External analysis.

**HOW IT WORKS**

1. SWOT is best developed in a group. Designate a facilitator (not a participant) who has good listening skills and can keep things moving and on track. It is helpful to also designate a recorder (not a participant) to write on flip chart paper or a large whiteboard.
2. First explain what is meant by the terms Strengths, Weaknesses, Opportunities, and Threats. Strengths and Weaknesses must be relative to a known comparator. For Strengths we could ask, “How is our team stronger than our competitor?” or “How are we stronger than last year?”
3. Then explain we will brainstorm each one of these. (Refer to the Brainstorming link on the RISK TOOLS page)
4. Proceed in S-W-O-T order, brainstorming Strengths first, then Weaknesses second, Opportunities third, and Threats fourth.
5. After brainstorming, ask participants to add clarity and specifics to their responses as needed.
6. Prepare a written summary and share with the Project Team for Planning Risk Responses

**KEY ELEMENTS**

For this method to be effective, the following key elements must be used:

* Be realistic. People may hesitate to discuss Weaknesses
* For Strengths and Weaknesses focus on the Project Team
* Rely on facts and figures. Avoid opinions.

ADVANTAGES and DISADVANTAGES

Of CAUSE & EFFECT

ADVANTAGES

* Simple to do and does not take much time
* Practical to use
* Easy to see and to explain to others
* Initiates further analysis
* Leads to Planning Risk Responses
* Generates discussion amongst participants

DISADVANTAGES

* Responses may be too opinionated
* Likely need to clarify some responses
* Reluctance to identify Weaknesses
* Temptation to simply defend previous decisions

FINAL NOTES: Some responses could be both Strengths and Weaknesses, for example “Single-mindedness”. Relating to known comparators helps make the responses clear.

In addition to Risk Management, this tool can also be used in any decision making situation. It also has application in any competitive situation.

Below you will find a SWOT Diagram for a Project to develop a new product.

